

**Subject Category:** Business Opportunity Rule

**CFR Citation:** 16 CFR Part 437

I am a QuiXtar (Direct Selling) IBO for the past 15 years and would like to comment on the new proposal as listed above. While I appreciate the efforts of the FTC to protect the consumers from the unfair practices and fraudulent schemes, I am deeply concerned about the unduly cumbersome disclosure requirements being proposed.

Being an IBO with QuiXtar for the past 15 years, our experience with the presentation of the business opportunity and representations of effort and income has always been fair and accurate.

The specific provisions I am concerned about are:

- 1) Requiring a seven day waiting period – Is really a BIG disservice for the person checking out the business opportunity. Especially, considering a very modest start-up fee of less than \$300. We do not require that of even the biggest purchases an individual makes like buying a home or a car which would require many thousands of dollars of investment!!
- 2) Requiring a list of referrals – Two main concerns about this feature.
  - a) We do not seem to require this kind of documentation from far more important areas of our lives , like the churches and their staff and/or professional services like doctors, accountants etc. So why single out Direct sellers to provide referrals?
  - b) Even if we can figure out a way of justify this type of documentation, the prospective business owner has no means to authenticate these sources as being fair, s what purpose does that serve?

What we need to encourage consumers to do, is practice due diligence, and check out the business opportunity thoroughly BEFORE investing in it!

- 3) Litigation list – Once again, overwhelmingly unfair to the direct selling industry, as NO other investments/business are bound by this law, why single out the direct selling industry?
- 4) Specific Earning Disclosure and Financial statements – Definite intrusion of individual privacy, as NO other job offers or traditional businesses are subject to such confidential documentation being made public!. This is really like taking out TAX returns and making it available as a public document!!

I do support all efforts to require reasonable proof when specific income representation are made which in the case of QuiXtar is already being given to each prospect called the SA-4400. The only income representations made by us (IBOs) are strictly as documented by SA-4400 which clearly states the average income of an active IBO!

Given that the investment in the business is <\$300 and the prospective IBO has a full 6 months in which to cancel their membership and receive a FULL refund, additional documentation requirements are severely detrimental to the growth of genuine opportunities like Quixtar , which really beats the whole purpose of the FTC, which is to encourage Fair Trading Practices!